



ASX / MEDIA RELEASE

15 JANUARY 2009

## **REDBANK STEPS UP HIGH GRADE COPPER EXPLORATION AND MINE PLANNING**

### **Key points:**

- Redbank to undertake a \$2.5m initial exploration program for 2009 on NT copper project
- Exploration to focus on high grade copper sulphide targets
- Copper mining and treatment operations on care and maintenance during 2009

Australian high grade copper developer Redbank Mines Limited (ASX:RBM) is pleased to provide an update on its Redbank Copper Project, which lies in the highly prospective McArthur River Basin in the Northern Territory.

The Project is the sole focus of the new Redbank Board and Management team, which has committed to a significant 2009 exploration program across the largely untested tenement package.

Redbank acquired the project in 2005, and has been undertaking pilot scale treatment of high grade copper stockpiles. The project has an established copper JORC resource of 5.3mt at a grade of 1.44% (75,000 tonnes of contained Cu metal).

Redbank Managing Director Bruce Morrin said during 2009, Redbank was intending to invest \$2.5 million in an initial drilling program targeting high grade, copper sulphide targets.

"Our strategy includes putting the operating plant on short-term care and maintenance during 2009, while we focus on a high grade exploration and testing program to build long term value for shareholders," Mr Morrin said.

"We're taking a fresh approach to a high grade copper asset supported by a new look Board and management team."

Mineralisation at Redbank occurs in so called breccia pipes which are capped with a shallow (~35m deep) oxide zone and is underlain by sulphide mineralisation. The focus of mining, and exploration, has so far been on these oxide orebodies.

"Currently, we believe only about 15% of the tenement area have been explored using modern techniques. Our focus will be to target high grade copper sources to extend the potential mine life beyond the current five year program."

"When creating mineralized domains for the Bluff deposit a high grade core shell of 2% total copper was selected using Leapfrog software. This mineralized domain containing a grade higher than 2% copper extended throughout the vertical extent of the mineralized zone.

It is a possibility that there are other similarly endowed pipes containing similar or even higher grades of copper which we will be very keen to identify" he said.

In 2007, Redbank established an exploration joint venture with Glencore International, one of the world's largest commodity suppliers, which covers approximately 800km<sup>2</sup> of its ground position. Glencore has the opportunity to earn a 50% interest in the JV by sole spending \$1m over two years, which provides Redbank shareholders with exposure to further exploration success.

Redbank will aim to recommence its plant operation in early 2010, after the wet season, and will be target operating cash costs of approximately US\$1.50/lb.

Mr Morrin said Redbank believed the strategy to focus on longer term value was a prudent option during the current depressed commodity environment.

"In the current price environment it makes sense to invest our resources into reviewing current operations and aggressively exploring to extend resources and mine life," Mr Morrin said.

"We will aim to bring the plant back into production in 2010, which is at a time when the Board has a more positive view on the copper market."

Mr Morrin said during 2009, Redbank would also be reviewing its plant and infrastructure, with a view on improving efficiency. The Company is currently operating a copper cement treatment plant on site, but would investigate the cost benefit of converting to a copper cathode style of treatment to improve efficiency.

**For further information, please contact:**

**Bruce Morrin**  
**Managing Director**  
**Tel: 0488 770 553**

**Warrick Hazeldine**  
**Purple Communications**  
**Tel: +61 (0)8 9485 1254**  
**Mob: 0417 944 616**

**About Redbank Mines**

Redbank Mines is an Australian based ASX-listed resource company (ASX:RBM) focused on the development of the Redbank Copper Mine in the north east of the Northern Territory.

The project is located in the Redbank Mineral Field in the NT, where the Company holds a substantial ground position. The region hosts significant economic copper mineralization and is highly prospective for copper, cobalt, phosphate, manganese and uranium.

The Company acquired the Redbank Copper Mine in 2005, and has been generating some cashflow from the treatment of high grade oxide stockpiles to produce a high quality concentrate. The tenement package included numerous advanced copper targets, and Redbank has identified a JORC resource of 5.3 million tonnes at a grade of 1.44% copper (75,000 tonnes of contained Cu metal).

In December 2007, Redbank secured an exploration joint venture with Glencore International, one of the world's largest commodity suppliers. The Company has also signed an off-take agreement with Glencore for the life of mine, based on marked based spot prices of copper.

Additional information is available at [www.redbankmines.com.au](http://www.redbankmines.com.au)

